GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2340
ANSWERED ON:23.07.2004
SALE OF NABARD SHARES BY RBI
Patel Shri Dinsha J.

Will the Minister of FINANCE be pleased to state:

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(a) whether Reserve Bank of India (RBI) has decided to sell its share in NABARD;

(b) if so, the reasons therefore;

(c) whether Government has accorded approval to RBI`s proposal;

(d) if so, the details thereof;

(e) whether the decision of RBI would adversely affect the activities of NABARD; and

(f) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a),(b),(c)&(d) : RBI has suggested that based on Narasimham Committee Report, it would be appropriate that RBI should not own the institutions it regulates. This would enable RBI to concentrate more on its Regulatory and Supervisory functions, (e): No, Sir.

(f): Does not arise.